

A MODERN DEALER'S GUIDE TO

BUYING AUCTION-SOURCING TOOLS

FRANCHISE EDITION



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INTRODUCTION



Congratulations! You're on your way to a better way to source and purchase auction vehicles.

As the evolution of auctions continues to become more complex, you have likely realized that technology is needed to help your dealership more consistently bring the right auction vehicles for the right money back home.

Researching and securing new software solutions is often challenging. Not only do you need to understand the technology's capabilities as they relate to your goals, but you also need to know the concerns other dealership personnel might have and how it impacts their daily responsibilities.

That's why we developed this ebook - to help you understand what features are important when evaluating an auction-sourcing tool and how to secure consensus from other team members at your dealership. It is intended to help you understand how to proceed down your path to purchasing an auction-sourcing tool.

By reading this ebook, you will learn what criteria is important when investigating a wholesale sourcing solution and how to bring your team together to gain consensus.

Patrick Janes
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vAuto

SOURCES OF INFORMATION

This ebook, “A Modern Dealer’s Guide to Buying Auction-sourcing Tools,” was developed by vAuto based on the results of a Q2 2016 research study that involved nearly 200 surveys and interviews with dealers, as well as interviews with current Stockwave users.

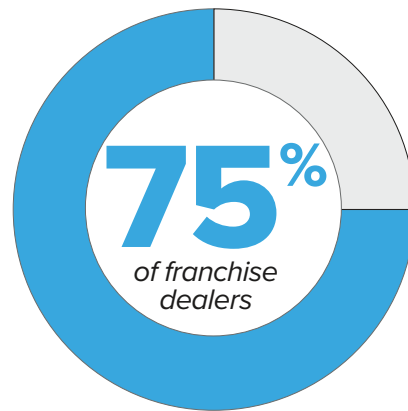
6 TIPS TO PURCHASE THE RIGHT AUCTION-SOURCING TOOLS

One of your first priorities should be to ensure that an auction-sourcing tool can clearly help you advance your retail objectives. The following six tips can help you ensure that your auction sourcing is aligned with your retail sales goals.

TIPS TO PURCHASE THE RIGHT AUCTION-SOURCING TOOLS

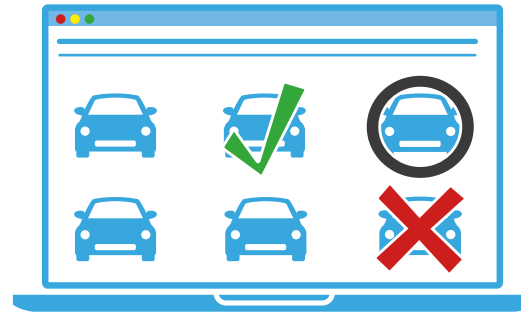
1 ENHANCE YOUR AUCTION-SOURCING NETWORK

Some auction-sourcing tools help you evaluate the vehicle in front of you. Other tools work only with specific auctions. **Your best bet is an auction-sourcing tool that helps you find and evaluate vehicles from the widest possible network of auctions** — an essential in today's more competitive and efficient market.

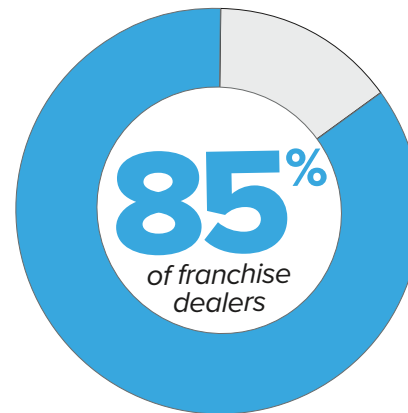


feel that an auction-sourcing tool will help their dealership.

2 ASSESS VEHICLE RECOMMENDATIONS



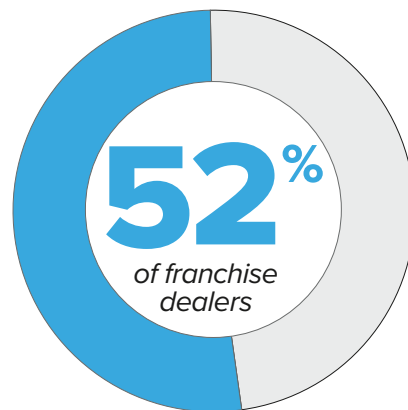
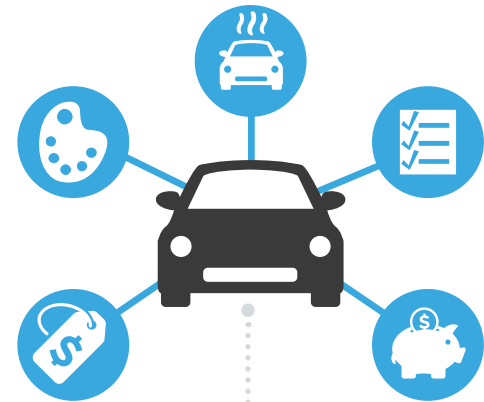
The best sourcing tools recommend auction vehicles that fit your current inventory needs. These tools keep you informed of specific holes in your inventory that need to be filled, the cars you don't need at the moment, and vehicles that you may not have sold in the past but that, due to current market conditions, offer a positive retail opportunity.



rate ability to identify the best cars at auction based on their business plan and vehicle preferences as the most important feature in a tool.

3 CAPTURE YOUR DNA AS A BUYER

An effective auction-sourcing tool should account for the color, condition and specifics of every car. The tool should also help focus your attention on the cars that really fit your dealership's preferences and profit goals. It's important that the tool provides sufficient granularity to help filter vehicles that won't profit. **The best auction-sourcing tools ensure you consistently work to acquire the right vehicles on the money and meet your retail objectives.**



can't find the wholesale cars at the right prices.

TIPS TO PURCHASE THE RIGHT AUCTION-SOURCING TOOLS

4 EXPECT TIME SAVINGS



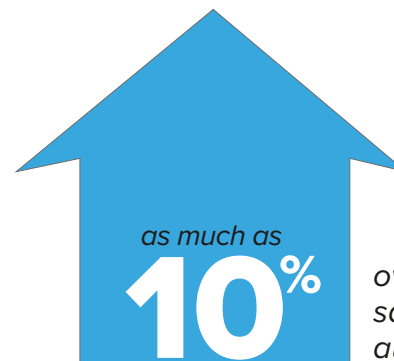
Auction-sourcing tools should help you find, evaluate and purchase vehicles in significantly less time. Look for tools with that give you “at-a-glance” insight to assess potential profit, condition, history and other important purchase considerations. Likewise, the best tools facilitate a faster vehicle purchase, irrespective of the auction.

Average number of combined hours spent on research and prepping for auction by all employees at a franchise dealership each week



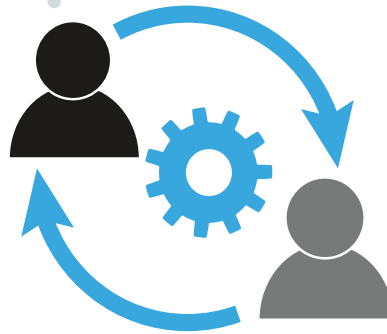
5 WEIGH YOUR ROI

We recommend the following rule of thumb: **If the tool helps you make the right decision, or avoid the wrong decision with a single vehicle, then it pays for itself.** However, paying for itself is only part of the ROI question. Also consider how it impacts your bottom line by saving you time while driving more consistent, frequent and profitable retail sales.



overall increase in retail sales by dealerships using auction sourcing tools

6 GAUGE VENDOR SUPPORT



You should expect support to be more than just an 800 number you can call when there's a problem with your auction-sourcing tool. Let's be real: It's technology, so it's not a question of IF a glitch will happen, it's WHEN. **Securing a piece of technology is a costly investment, so you should have support getting you up and running while also providing continuous support and best practices along the way.**

BUILDING LONG-TERM ADOPTION



There are two typical auction-sourcing tool purchase scenarios: buying for yourself, and buying for yourself and a broader team.

1

BUYING FOR YOURSELF

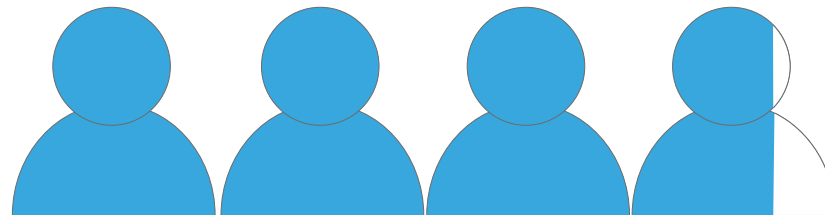


Buy-in is largely the need to sell yourself that you've found the right auction-sourcing tool. Your chief concern may well be getting the OK to spend the money to use the tool, which is an easier sell if you've carefully vetted the tool itself.

2 BUYING FOR YOURSELF AND A BROADER TEAM

Buy-in can be trickier.

New technology always finds resistance in work environments, a reality that's especially true in car dealerships.



3.8 *average number of employees involved with auctions and sourcing vehicles at a franchise dealership*



4 MODERN BUYING TIPS TO SECURE LONG-TERM TEAM CONSENSUS

Buying technology for a dealership is complicated. There are multiple people invested in the ultimate decision, and all have unique needs. The following tips can help you secure consensus and help you maximize your technology investment before it turns out to be an underutilized waste of money.

1 BRING THE TEAM IN EARLY

You'll face an uphill battle for consensus if you spring a new technology or tool on your team before they're ready. It's your job to make them ready.

Start by emphasizing why you're considering the tool in the first place, and why you view it as essential to helping your dealership sell more used vehicles and make more money.

Highlight your current inefficiencies — even if it stings — in the context of your current strengths (your goal isn't to change what's working well; it's to get better when / where you can). Make sure to include the right team members as you demo and try out potential tools.

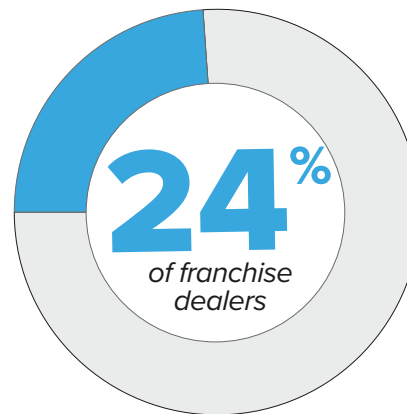
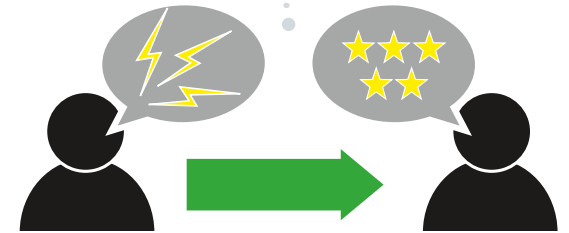


2 EMBRACE THE RESISTANCE

If you can't get everyone on the demos, bring the person who's most critical of the technology or tool you're considering.

This individual will help you ask more pinpointed, tougher questions during the demo. The person's perspective will help keep you honest and on-point as you make a purchase decision. Best of all, the individual's resistance will wear down as they see their specific points of resistance taken seriously and accounted for in the process.

In the best circumstances, these individuals often become the "in-house champions" for the new solution.



believe they have the resources needed to effectively source auction vehicles.

3 PERSONALIZE THE BENEFITS



The purpose of the auction-sourcing tool is to help you become more efficient and effective as you purchase auction vehicles.

This positive outcome makes the job of purchasing auction vehicles less stressful and time-consuming for managers and buyers. They'll have more bandwidth to make better decisions, which ultimately benefits their paychecks.

In order to gain consensus, the best approach is to not only understand how the tool impacts their routine responsibilities, but how it makes their job more efficient. However, more senior members at a dealership might want to focus on how the tool impacts the bottom line.



Owners

identified “reducing the amount of time it takes to prepare for auction day” as most important.



Acquisition Managers and GMs

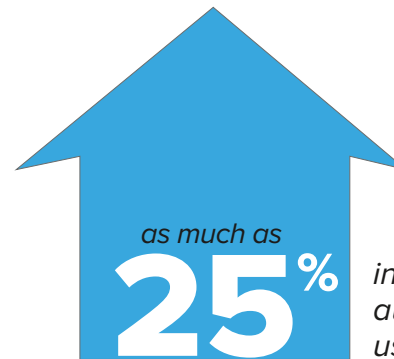
felt that “identifying the best cars at auction to bring into stock by matching the business plan and vehicle preferences to vehicles that are available” was most important.

4 TOUT YOUR SUCCESS

Dealers who have reinvented their auction-sourcing strategies do all they can to let dealer principals, general managers and owners understand how they've improved the way they purchase auction vehicles.

The best success stories result from fewer aged auction-purchased units, or improved front-end gross on auction-purchased units, due to getting the right vehicles more consistently.

The acknowledgements don't have to be a big deal — simply some form of affirmation that gives you and your team greater recognition and satisfaction for the benefits you bring to the table.



increase in front-end gross for auction-purchased units by dealers using auction-sourcing tools

ABOUT US

vAuto® provides innovative technology, tools and business intelligence to thousands of dealerships across the United States and Canada, helping them compete more effectively and increase new / used vehicle sales volumes and profits. Founded in 2005, vAuto revolutionized dealers' used vehicle operations with the groundbreaking Provision® suite of tools. Leveraging the Velocity Method of Management®, pioneered by vAuto's visionary founder, Dale Pollak, the Provision suite guides used vehicle acquisition, appraisals, pricing, merchandising and more based on real-time, local market supply-and-demand data. In 2016, vAuto launched Stockwave to serve as the foundation for a suite of wholesale inventory acquisition solutions.



www.stockwave.com

